1. Commissions and fees for electronic trading
   Commissions and fees for electronic trading of listed equity options are negotiated on a client-by-client basis and may include per contract commissions as well as attribution of the rebates earned or fees incurred from exchanges or market making programs associated with the client’s trading.

2. Payment for order flow and rebates
   When trading listed equity options, Barclays may participate in exchange-sponsored market making programs that provide rebates and payment for order flow. In addition, certain exchange fee schedules include rebates to participants executing on that exchange under certain conditions, such as providing liquidity. In some instances, the rebates that Barclays receives from an exchange may exceed the amount that Barclays is charged by that exchange.

   Exchange rebates and payments are not a factor in routing decisions, unless cost-priority routing is elected by the customer (see FAQ 7 Customization options).

3. Barclays options market making
   Barclays’ status as a market maker at a particular venue is not a factor in routing decisions. However, once the decision has been made to route an order to an options exchange where Barclays is a registered market maker, and that exchange supports preferencing, the order will be preferred to our market maker.

4. Options Router overview
   Barclays’ Options Router is the firm’s primary electronic tool for accessing exchange liquidity. When an order is marketable, the Options Router will sweep available liquidity across all exchanges with the objective of maximizing fill rates. When an order is not marketable, the Options Router will post the order to a single exchange (see FAQ 6 Posting Logic).

5. Sweep logic
   The Options Router aims to achieve best execution for market orders and marketable limit orders through simultaneous sweeping of marketable quotes across all available exchanges. When marketable liquidity is available on multiple exchanges at the best price, the Options Router ranks the venues by displayed size in descending order for the purpose of allocating the order.

   Barclays’ orders are eligible to participate in step-up auctions, where supported by the exchange. The Options Router places non-routable, day orders that sweep displayed liquidity, participate in exchange step-up auctions, and then momentarily post on the order book after the available marketable liquidity has been depleted. This is done by sending a day order and cancelling it one second later.
The Options Router will only send marketable limit orders priced at the prevailing NBBO. If an order is priced through the market (i.e., buying above the offer or selling below the bid) the Options Router will wait until the NBBO price has updated before sending additional orders at the next price level.

Please see FAQ 7 *Customization options* for alternative methodologies that can be elected for routing behavior.

6. **Posting logic**
   When posting, the Options Router will post the full order size to the CBOE for listed options and to ARCA for ETF options, by default. In the case of an exception (e.g., the venue is unavailable, the symbol does not trade on the selected venue), the Options Router will post to one of the other options exchanges and will only post to one exchange at a time.

   Please see FAQ 7 *Customization options* for alternative methodologies that can be elected for routing behavior.

7. **Customization options**
   The following modifications to the default settings are available for the Options Router:
   
   a. Disable Day Order Sweep – Disable the use of day orders when sweeping; Note, this will disable participation in exchange step-up auctions (See FAQ 5 *Sweep logic*)
   
   b. Enable ISO Sweep – execute simultaneously at multiple price points using ISO child orders when the order is priced through the market
   
   c. Enable Cost Sweep – use exchange cost to rank multiple venues that have displayed liquidity at the best price
   
   d. Select Posting Venue – change the Option Router’s default posting venue

8. **Directed orders**
   Directed orders are routed to the indicated exchange and are not subject to the Options Router’s order placement logic.

9. **Spread orders**
   Barclays offers directed access to CBOE, ISE and PHLX spread order books. Directed spread orders are routed to the indicated exchange and are not subject to the Options Router’s order placement logic.

10. **Accessible venues**
    For listed equity options, the following options exchanges\(^1\) are accessible through the Options Router

    - Bats BZX
    - Bats EDGX
    - BOX
    - CBOE
    - C2
    - ISE
    - ISE Gemini
    - ISE Mercury
    - Miami Options Exchange
    - Miami Pearl Exchange
    - MIAX Emerald Exchange
    - MIAX Emerald Exchange
    - NASDAQ Options
    - NASDAQ PHLX
    - NYSE AMEX
    - NYSE ARCA

\(^1\) List is subject to change and updated periodically. Also, Barclays may not support the full range of functionalities or order types that each venue offers.
11. **Trading hours**
The Options Router will only send orders to the market once the option has opened for trading. Clients can send orders until 4:00 p.m. EST for equity options and until 4:15 p.m. EST for ETF/Index options. If an exchange does not automatically cancel orders back at the end of the trading day, the router will attempt to cancel orders at 4:05 p.m. EST for equity options and 4:20 p.m. EST for ETF/Index options².

12. **Options market data**
The Options Router utilizes market data from OPRA. The feed is processed by tickerplant technology that is provided by a third-party vendor, Exegy. Barclays' Options Algorithms also utilize market data from OPRA which is processed by Wombat.

13. **Options algorithms**
Barclays offers algorithmic trading strategies for the execution of US listed options orders, including Options TWAP, Options Work and Pounce, and Options Spread Trader. The algorithms utilize the Options Router to post orders passively on exchange or to sweep available exchange liquidity. For more information on Barclays' listed equity options algorithms, please contact your Barclays sales representative.

14. **Electronic trading order handling**
For information on electronic order handling, including how the Market Access Rule is applied and how Barclays preserves client anonymity, please refer to Barclays’ latest *Equities Electronic Order Handling FAQs* document available at barclays.com/equities³.

15. **Platform enhancements**
At any time, Barclays may implement enhancements to its listed equity options trading platform, which includes Barclays options algorithms, the options router and core infrastructure components. The enhancements may be rolled out across the platform as a whole or in multiple phases. For some enhancements, a group of internal traders, and in some circumstances clients who have opted in, may be given access to functionality for verification purposes that is not available to all clients and which is not fully described in this Order Handling document. Internal traders who are given access to this functionality may be trading on behalf of clients. Please contact your Barclays sales representative for details on enhancements or new features currently being rolled out.

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² For shortened trading sessions Barclays will follow the amended opening and closing hours for each Options exchange.
³ Full URL: [http://investmentbank.barclays.com/markets/equities-liquid-markets.html#order](http://investmentbank.barclays.com/markets/equities-liquid-markets.html#order)
DISCLAIMER

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